

to reduce the total allowable in that field or in Texas, and the amount so deducted shall be ratably used to increase the allowable of the wells not interested in such imported oil, but such importer shall nevertheless account to the royalty owner out of the amount of allowable, after such deduction, the full royalty due before such deduction is made.

"The Railroad Commission shall immediately after this act becomes effective make such experiments, tests, meter tests and inquiries to correctly ascertain the greatest amount of oil which may be taken from each well in each field in Texas and from such individual well total give in barrels the amount per well which may be taken without injury to the well and/or field. No allowable shall ever hereafter be required or permitted from any well or field until such records are made. Such records shall be kept monthly up to date and at the office of the Railroad Commission in Austin, Texas, and be open to inspection of the public at all times. No order fixing the allowable which may be taken from any well or field without injury to such well or field shall be valid unless based on scientific tests and correct conclusions resulting from the reasonable and practical methods of operating wells and oil fields to best produce oil.

"The Railroad Commission shall be powerless to make any order of pro-ration, or otherwise, which will deny the desired requirements of any pipe line or refinery not engaged in importing petroleum oil or its products into Texas or the United States."

Question—Shall the amendment by Mr. Pope be adopted?

RECESS.

On motion of Mr. Mathis, the House, at 5 o'clock p. m., took recess to 9:30 o'clock a. m. tomorrow.

#### FIFTH DAY.

(Continued.)

(Thursday, November 10, 1932.)

The House met at 9:30 o'clock a. m. and was called to order by Speaker Minor.

#### HOUSE BILL NO. 3 ON PASSAGE TO ENGROSSMENT.

The Speaker laid before the House, as pending business on its passage to engrossment,

H. B. No. 3, A bill to be entitled "An Act regulating crude petroleum oil and natural gas relative to the production, transportation and storage; amending Section 1 of Chapter 26 of the Acts of the Forty-second Legislature, First Called Session, changing the definitions of waste and prohibiting waste as defined, and eliminating the restrictions upon the power of the Commission therein contained, and eliminating the last paragraph of said section; providing that the Railroad Commission of Texas cannot regulate as waste any process of refining crude petroleum oil, etc., and declaring an emergency."

The bill having heretofore been read second time with (committee) amendment No. 1 by Mr. Wagstaff and amendment by Mr. Pope to the (committee) amendment, pending.

Mr. Keller raised the following points of order on further consideration of the amendment by Mr. Pope:

Mr. Speaker: I make the point of order that the amendment introduced by Mr. Pope is out of order for the following reasons:

1. Because it is not germane to the bill.

2. Because it violates the State and United States Constitutions in that it is a violation of the right of private contract—a violation of the Interstate Commerce clause—a violation of the prohibition against the State levying a tariff upon the importation of commerce, and that the same is also discriminatory.

The Speaker declined to rule on the point of order, stating that he would submit the matter to the House for its decision.

The House overruled the point of order by the following vote:

Yeas—52.

|                  |            |
|------------------|------------|
| Adams of Harris. | Hughes.    |
| Adamson.         | Jackson.   |
| Albritton.       | Johnson    |
| Alsup.           | of Dallam. |
| Baker.           | Justiss.   |
| Beck.            | Kayton.    |
| Bounds.          | Keller.    |
| Carpenter.       | Lee.       |
| Dwyer.           | Lemens.    |
| Farrar.          | Long.      |
| Forbes.          | McGregor.  |
| Ford.            | Martin.    |
| Fuchs.           | Metcalfe.  |
| Goodman.         | Morse.     |
| Hill.            | Munson.    |
| Holder.          | Nicholson. |

|                |                  |
|----------------|------------------|
| Olsen.         | Stephens.        |
| O'Quinn.       | Steward.         |
| Patterson.     | Sullivant.       |
| Petsch.        | Terrell          |
| Ratliff.       | of Val Verde.    |
| Ray.           | Turner.          |
| Rountree.      | Van Zandt.       |
| Satterwhite.   | Wagstaff.        |
| Shelton.       | Walker.          |
| Smith of Wood. | Warwick.         |
| Sparkman.      | West of Coryell. |

## Nays—70.

|                   |                    |
|-------------------|--------------------|
| Adams of Jasper.  | Holloway.          |
| Adkins.           | Hoskins.           |
| Akin.             | Howsley.           |
| Anderson.         | Johnson            |
| Barron.           | of Dimmit.         |
| Bedford.          | Jones of Shelby.   |
| Bond.             | Jones of Atascosa. |
| Bradley.          | Kennedy.           |
| Brice.            | Laird.             |
| Bryant.           | Lasseter.          |
| Burns of Walker.  | Lockhart.          |
| Burns             | McGill.            |
| of McCulloch.     | Magee.             |
| Caven.            | Mathis.            |
| Coltrin.          | Mehl.              |
| Coombes.          | Moffett.           |
| Cox of Lamar.     | Moore.             |
| Cox of Limestone. | Pope.              |
| Cunningham.       | Ramsey.            |
| Daniel.           | Reader.            |
| Dodd.             | Richardson.        |
| Donnell.          | Rogers.            |
| Dunlap.           | Sanders.           |
| Elliott.          | Savage.            |
| Engelhard.        | Smith of Bastrop.  |
| Farmer.           | Strong.            |
| Ferguson.         | Tarwater.          |
| Fisher.           | Terrell            |
| Giles.            | of Cherokee.       |
| Graves.           | Towery.            |
| Greathouse.       | Vaughan.           |
| Hanson.           | Weinert.           |
| Harrison          | West of Cameron.   |
| of Waller.        | Westbrook.         |
| Hefley.           | Wiggs.             |
| Herzik.           | Wyatt.             |
| Hines.            | Young.             |

## Present—Not Voting.

Boyd.

## Absent.

|             |            |
|-------------|------------|
| Brooks.     | Holland.   |
| Claunch.    | Hubbard.   |
| Dale.       | Lilley.    |
| Davis.      | McCombs.   |
| Dowell.     | McDougald. |
| Duvall.     | Murphy.    |
| Finn.       | Scott.     |
| Hardy.      | Sherrill.  |
| Harman.     | Stevenson. |
| Harrison    |            |
| of El Paso. |            |

## Absent—Excused.

Grogan.

Leonard.

Mr. Wagstaff moved to table the amendment by Mr. Pope.

Yeas and nays were demanded and the motion to table prevailed by the following vote:

## Yeas—73.

|                   |                   |
|-------------------|-------------------|
| Adams of Harris.  | Lee.              |
| Adamson.          | Lemens.           |
| Albritton.        | Lilley.           |
| Alsup.            | Long.             |
| Baker.            | McGregor.         |
| Beck.             | Magee.            |
| Bond.             | Martin.           |
| Bounds.           | Mathis.           |
| Boyd.             | Metcalfe.         |
| Brice.            | Moffett.          |
| Carpenter.        | Morse.            |
| Cox of Limestone. | Nicholson.        |
| Dowell.           | Olsen.            |
| Duvall.           | O'Quinn.          |
| Dwyer.            | Patterson.        |
| Farrar.           | Petsch.           |
| Finn.             | Ratliff.          |
| Fisher.           | Ray.              |
| Forbes.           | Reader.           |
| Ford.             | Rountree.         |
| Fuchs.            | Satterwhite.      |
| Goodman.          | Shelton.          |
| Graves.           | Sherrill.         |
| Hardy.            | Smith of Bastrop. |
| Harrison          | Sparkman.         |
| of El Paso.       | Stephens.         |
| Hill.             | Steward.          |
| Hines.            | Sullivant.        |
| Holland.          | Terrell           |
| Howsley.          | of Val Verde.     |
| Hughes.           | Turner.           |
| Jackson.          | Van Zandt.        |
| Johnson           | Wagstaff.         |
| of Dallam.        | Walker.           |
| Johnson           | Warwick.          |
| of Dimmit.        | Weinert.          |
| Justiss.          | West of Coryell.  |
| Kayton.           | Wyatt.            |
| Keller.           |                   |

## Nays—47.

|                  |             |
|------------------|-------------|
| Adams of Jasper. | Daniel.     |
| Adkins.          | Dodd.       |
| Akin.            | Elliott.    |
| Anderson.        | Engelhard.  |
| Barron.          | Farmer.     |
| Bedford.         | Ferguson.   |
| Bradley.         | Giles.      |
| Brooks.          | Greathouse. |
| Bryant.          | Hanson.     |
| Burns of Walker. | Harrison    |
| Burns            | of Waller.  |
| of McCulloch.    | Hefley.     |
| Coombes.         | Herzik.     |
| Cox of Lamar.    | Holder.     |

|                  |                |
|------------------|----------------|
| Holloway.        | Ramsey.        |
| Hoskins.         | Richardson.    |
| Jones of Shelby. | Rogers.        |
| Kennedy.         | Savage.        |
| Laird.           | Smith of Wood. |
| Lockhart.        | Tarwater.      |
| McGill.          | Terrell        |
| Mehl.            | of Cherokee.   |
| Moore.           | Towery.        |
| Munson.          | Vaughan.       |
| Pope.            | Westbrook.     |

## Absent.

|                    |                  |
|--------------------|------------------|
| Caven.             | Lasseter.        |
| Claunch.           | McCombs.         |
| Coltrin.           | McDougald.       |
| Cunningham.        | Murphy.          |
| Dale.              | Sanders.         |
| Davis.             | Scott.           |
| Donnell.           | Stevenson.       |
| Dunlap.            | Strong.          |
| Harman.            | West of Cameron. |
| Hubbard.           | Wiggs.           |
| Jones of Atascosa. | Young.           |

## Absent—Excused.

Grogan. Leonard.

## REASON FOR VOTE.

If the public is ready to limit the production of petroleum in order to affect the price thereof, the American oil industry is entitled to the safeguard of avoiding added cutting down of production by law that would result from importations.

BRADLEY.

Mr. Farrar offered the following amendment to the (committee) amendment:

Amend (committee) substitute to House bill No. 3 by striking out the words "shall include economic waste and also" in Section 1, page 2, line 9.

On motion of Mr. Wagstaff the amendment by Mr. Farrar was tabled.

## MESSAGE FROM THE SENATE.

Senate Chamber,  
Austin, Texas, November 10, 1932.

Hon. Fred H. Minor, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 2, A bill to be entitled "An Act for the relief of water improvement districts and water control and improvement districts containing within their boundaries a city, or the greater part of a city, having, according to the last preceding United

States census, a population of not less than forty thousand people, and empowering such districts without an election to refund outstanding bonded indebtedness including matured and unpaid interest coupons and accrued interest, and prescribing the manner in which and the terms and conditions upon which same may be refunded, and prescribing the duties and functions of the Attorney General and Comptroller of the State in connection with such refunding; and providing for the manner in which, and the terms and conditions upon which such districts may cancel all, or any part, of such unsold bonds heretofore authorized by such districts, and declaring an emergency."

Respectfully,

BOB BARKER,  
Secretary of the Senate.

SENATE BILL ON FIRST  
READING.

The following Senate bill, received from the Senate today, was laid before the House, read first time, and referred to the appropriate committee, as follows:

Senate bill No. 2, to the Committee on State Affairs.

## RECESS.

On motion of Mr. Hardy, the House, at 12 o'clock m., took recess to 2 o'clock p. m. today.

## AFTERNOON SESSION.

The House met at 2 o'clock p. m., and was called to order by Speaker Minor.

HOUSE BILL NO. 3 ON PASSAGE  
TO ENGROSSMENT.

The House resumed consideration of pending business, same being House bill No. 3, relative to the conservation of oil, on its passage to engrossment.

The bill having heretofore been read second time with (committee) amendment No. 1 by Mr. Wagstaff, pending.

Mr. Farrar offered the following amendment to the (committee) amendment:

Amend (committee) substitute to House bill No. 3 by adding another subdivision to Section 15, page 5, im-

mediately following subdivision 7, and to be numbered 7a, to read as follows:

"7a. Nothing herein shall be construed by the Commission to authorize the Commission to prohibit or delay the drilling of any oil or gas well in strictly wildcat territory."

The amendment was adopted.

Mr. Hardy offered the following amendment to the (committee) amendment:

Amend House bill No. 3, page 5, on the printed copy, line 39, by striking out the entire paragraph beginning with the word "in" and ending with the word "State," in line 3, page 6, and inserting in lieu thereof the following:

"In order to prevent waste or unreasonable discrimination in favor of one common source of supply of crude petroleum oil as against another, the Commission is authorized to allocate or apportion the allowable production among the various common sources of supply of crude petroleum oil in this State by dividing the reasonable market demand for such oil among such common sources of supply on a reasonable basis after first making full allowance for the production of marginal wells as such marginal wells are now defined by statute."

HARDY,  
WALKER,  
LONG.

The amendment was adopted.

Mr. Hardy offered the following amendment to the (committee) amendment:

Amend House bill No. 3, page 4 of the printed copy, by adding a new paragraph after the word "gas," in line 16, reading as follows:

"Nothing in this section shall be construed to limit the production of marginal wells, as such marginal wells are now defined by statute, below the amount fixed by statute for such wells."

The amendment was adopted.

Mr. Burns of Walker offered the following amendment to the (committee) amendment:

Amend (committee) amendment No. 1 to House bill No. 3, by adding a new section to be numbered —, as follows:

"This act as amended giving to the Railroad Commission of Texas the right to consider economic waste, market demand, or physical waste, in the issuance of its order, or orders, hereunder. It shall be the duty of

the Railroad Commission in the issuance of such order, or orders, to specifically state in the order itself the form of such waste so considered; that is, whether said order is based on economic waste, market demand, physical waste, either or all.

"In the event the Railroad Commission of Texas, in the promulgation of any order or orders under this act as amended, shall take into consideration economic waste or market demand, either or both, then and in that event, as a condition precedent to the passage of any order, or orders, hereunder, it shall also take into consideration the retail price of gasoline throughout the State of Texas less the then existing tax to the State of Texas and to the Federal government, and shall pass and issue such order, or orders, to become effective contingent upon the fact only that the retail price of gasoline per gallon, less the then existing tax to the State of Texas and to the Federal government, shall not exceed a reasonable price, which reasonable price is herein defined as being not in excess of one-fifth ( $\frac{1}{5}$ ) of the lowest market price per barrel of crude oil in the State of Texas of a gravity in excess of 28 degrees Fahrenheit.

BURNS of Walker,  
DANIEL,  
AKIN,  
BURNS of McCulloch,  
ELLIOTT,  
BARRON.

Mr. Wagstaff moved to table the amendment.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—71.

|                   |            |
|-------------------|------------|
| Adamson.          | Farrar.    |
| Adkins.           | Fisher.    |
| Albritton.        | Forbes.    |
| Anderson.         | Ford.      |
| Baker.            | Fuchs.     |
| Beck.             | Goodman.   |
| Bedford.          | Hardy.     |
| Bond.             | Holder.    |
| Bounds.           | Holland.   |
| Boyd.             | Howsley.   |
| Bradley.          | Hubbard.   |
| Brice.            | Hughes.    |
| Brooks.           | Jackson.   |
| Carpenter.        | Johnson.   |
| Coltrin.          | of Dallam. |
| Cox of Limestone. | Johnson    |
| Dowell.           | of Dimmit. |
| Dwyer.            | Justiss.   |

|            |                   |
|------------|-------------------|
| Kayton.    | Rountree.         |
| Keller.    | Sanders.          |
| Lee.       | Satterwhite.      |
| Lemens.    | Savage.           |
| Long.      | Shelton.          |
| McDougald. | Sherrill.         |
| McGill.    | Smith of Bastrop. |
| McGregor.  | Sparkman.         |
| Magee.     | Stephens.         |
| Mathis.    | Steward.          |
| Metcalfe.  | Tarwater.         |
| Moore.     | Terrell           |
| Munson.    | of Val Verde.     |
| Nicholson. | Wagstaff.         |
| Olsen.     | Walker.           |
| Petsch.    | Warwick.          |
| Ratliff.   | Weinert.          |
| Ray.       | Westbrook.        |
| Reader.    | Wyatt.            |

## Nays—33.

|                  |                    |
|------------------|--------------------|
| Adams of Jasper. | Hefley.            |
| Akin.            | Hines.             |
| Alsup.           | Holloway.          |
| Bryant.          | Hoskins.           |
| Burns of Walker. | Jones of Atascosa. |
| Burns            | Kennedy.           |
| of McCulloch.    | Lasseter.          |
| Dale.            | Lockhart.          |
| Dodd.            | Pope.              |
| Elliott.         | Ramsey.            |
| Engelhard.       | Richardson.        |
| Farmer.          | Rogers.            |
| Ferguson.        | Scott.             |
| Giles.           | Terrell            |
| Graves.          | of Cherokee.       |
| Greathouse.      | Towery.            |
| Hanson.          | West of Coryell.   |
| Harrison         |                    |
| of Waller.       |                    |

## Absent.

|                  |                  |
|------------------|------------------|
| Adams of Harris. | Laird.           |
| Barron.          | Lilley.          |
| Claunch.         | McCombs.         |
| Coombes.         | Martin.          |
| Cox of Lamar.    | Mehl.            |
| Cunningham.      | Moffett.         |
| Daniel.          | Morse.           |
| Davis.           | Murphy.          |
| Donnell.         | O'Quinn.         |
| Dunlap.          | Smith of Wood.   |
| Duvall.          | Stevenson.       |
| Finn.            | Strong.          |
| Harman.          | Turner.          |
| Harrison         | Van Zandt.       |
| of El Paso.      | Vaughan.         |
| Herzik.          | West of Cameron. |
| Hill.            | Wiggs.           |
| Jones of Shelby. | Young.           |

## Absent—Excused.

|          |            |
|----------|------------|
| Caven.   | Patterson. |
| Grogan.  | Sullivant. |
| Leonard. |            |

Mr. McGregor offered the following amendment to the (committee) amendment:

Amend Section 11 of House bill No. 3 by adding thereto the following:

"It is further provided that in the administration of this act the Railroad Commission of Texas shall, at all times, take into consideration and protect the rights and interests of the purchasing and consuming public of crude oil and all its products, such as gasoline and lubricating oil."

McGREGOR,  
ANDERSON.

Mr. Long offered the following substitute for the amendment by Mr. McGregor:

Amend Section 11 of House bill No. 3 by adding thereto the following:

"It is further provided that in the administration of this act the Railroad Commission of Texas shall, at all times, take into consideration and protect the rights and interest of the public."

On motion of Mr. McGregor, the amendment by Mr. Long was tabled.

Question recurring on the amendment by Mr. McGregor, yeas and nays were demanded.

The amendment was adopted by the following vote:

## Yeas—71.

|                   |                    |
|-------------------|--------------------|
| Adams of Jasper.  | Graves.            |
| Adamson.          | Greathouse.        |
| Adkins.           | Grogan.            |
| Akin.             | Hanson.            |
| Alsup.            | Harrison           |
| Anderson.         | of Waller.         |
| Baker.            | Hefley.            |
| Barron.           | Hines.             |
| Bedford.          | Holland.           |
| Boyd.             | Hoskins.           |
| Bryant.           | Howsley.           |
| Burns of Walker.  | Hughes.            |
| Burns             | Jackson.           |
| of McCulloch.     | Jones of Shelby.   |
| Coltrin.          | Jones of Atascosa. |
| Coombes.          | Kennedy.           |
| Cox of Lamar.     | Lasseter.          |
| Cox of Limestone. | Lee.               |
| Cunningham.       | Lockhart.          |
| Daniel.           | McGregor.          |
| Dodd.             | Mehl.              |
| Dunlap.           | Moore.             |
| Elliott.          | Munson.            |
| Farmer.           | Petsch.            |
| Farrar.           | Pope.              |
| Ferguson.         | Ramsey.            |
| Forbes.           | Ray.               |
| Giles.            | Reader.            |
| Goodman.          | Richardson.        |

|                   |                  |
|-------------------|------------------|
| Rogers.           | Terrell          |
| Sanders.          | of Cherokee.     |
| Savage.           | Towery.          |
| Scott.            | Vaughan.         |
| Smith of Bastrop. | West of Coryell. |
| Smith of Wood.    | West of Cameron. |
| Sparkman.         | Westbrook.       |
| Tarwater.         | Wiggs.           |

## Nays—35.

|                  |               |
|------------------|---------------|
| Adams of Harris. | Long.         |
| Beck.            | McDougald.    |
| Bond.            | Magee.        |
| Bounds.          | Metcalfe.     |
| Carpenter.       | Morse.        |
| Cayen.           | Nicholson.    |
| Dale.            | Ratliff.      |
| Dowell.          | Rountree.     |
| Dwyer.           | Satterwhite.  |
| Fisher.          | Shelton.      |
| Ford.            | Sherrill.     |
| Fuchs.           | Steward.      |
| Hill.            | Terrell       |
| Holder.          | of Val Verde. |
| Justiss.         | Wagstaff.     |
| Kayton.          | Walker.       |
| Keller.          | Warwick.      |
| Lemens.          | Weinert.      |

## Present—Not Voting.

|            |           |
|------------|-----------|
| Albritton. | Stephens. |
|------------|-----------|

## Absent.

|             |            |
|-------------|------------|
| Bradley.    | Johnson    |
| Brice.      | of Dimmit. |
| Brooks.     | Laird.     |
| Claunich.   | Lilley.    |
| Davis.      | McCombs.   |
| Donnell.    | McGill.    |
| Duvall.     | Martin.    |
| Engelhard.  | Mathis.    |
| Finn.       | Moffett.   |
| Hardy.      | Murphy.    |
| Harman.     | Olsen.     |
| Harrison    | O'Quinn.   |
| of El Paso. | Stevenson. |
| Herzik.     | Strong.    |
| Holloway.   | Turner.    |
| Hubbard.    | Van Zandt. |
| Johnson.    | Wyatt.     |
| of Dallam.  | Young.     |

## Absent—Excused.

|            |            |
|------------|------------|
| Leonard.   | Sullivant. |
| Patterson. |            |

Mr. Anderson offered the following amendment to the (committee) amendment:

Amend committee amendment, Section 2 of House bill No. 3, by substituting the following section:

"Sec. 2. The Railroad Commission of Texas shall have no authority to

make any rule, regulation or order, or in anywise determine or hold, that any mode, manner or process of refining crude petroleum oil constitute waste.

"Nothing in this act shall be construed as granting to the Railroad Commission of Texas any power or authority to restrict, or in any manner limit, the drilling of wells for the purpose of exploring for crude petroleum oil or natural gas or both in territory not known to produce either such oil or gas.

"Sec. 2a. The Railroad Commission of Texas shall not restrict the production of crude petroleum oil from any new field brought into production by such exploration until such total production therefrom is capable of 10,000 barrels of crude petroleum oil per day, unless such restriction results from the enforcement of rules, regulations or orders dealing with the method or manner of producing, storing or transporting crude petroleum oil therefrom to prevent physical waste only occurring in such new field; provided, however, the production of any such new field shall not be limited by the application of subdivision (k) of Section 1 hereof until the production of such new field is more than 10,000 barrels per day."

(Mr. Keller in the chair.)

Mr. Beck offered the following amendment to the amendment by Mr. Anderson:

Amend the amendment by striking out the last paragraph and substituting the following:

"The Commission shall have power and authority to prescribe special regulations governing production allowable for any well or wells discovered more than three miles from any other producing well."

The amendment was lost.

Question recurring on the amendment by Mr. Anderson, it was lost.

Mr. Burns of Walker moved to reconsider the vote by which the amendment was lost.

Mr. Satterwhite moved to table the motion to reconsider.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

## Yeas—59.

|                  |        |
|------------------|--------|
| Adams of Harris. | Baker. |
| Adamson.         | Beck.  |

|                   |                |
|-------------------|----------------|
| Bond.             | Lee.           |
| Bounds.           | Lemens.        |
| Boyd.             | Long.          |
| Bradley.          | McDougald.     |
| Carpenter.        | Magee.         |
| Coltrin.          | Martin.        |
| Cox of Limestone. | Mathis.        |
| Gunningham.       | Morse.         |
| Donnell.          | Nicholson.     |
| Dowell.           | O'Quinn.       |
| Dwyer.            | Patterson.     |
| Fisher.           | Ray.           |
| Forbes.           | Reader.        |
| Fuchs.            | Richardson.    |
| Giles.            | Rountree.      |
| Goodman.          | Satterwhite.   |
| Graves.           | Shelton.       |
| Hanson.           | Sherrill.      |
| Hardy.            | Smith of Wood. |
| Hill.             | Sparkman.      |
| Holder.           | Stephens.      |
| Holland.          | Steward.       |
| Howsley.          | Strong.        |
| Hughes.           | Tarwater.      |
| Jackson.          | Terrell        |
| Johnson           | of Val Verde.  |
| of Dimmit.        | Wagstaff.      |
| Justiss.          | Weinert.       |
| Kayton.           |                |

## Nays—53.

|                  |                    |
|------------------|--------------------|
| Adams of Jasper. | Hoskins.           |
| Akin.            | Hubbard.           |
| Albritton.       | Jones of Atascosa. |
| Alsup.           | Kennedy.           |
| Anderson.        | Laird.             |
| Bedford.         | Lasseter.          |
| Brice.           | Lilley.            |
| Brooks.          | McGill.            |
| Bryant.          | McGregor.          |
| Burns of Walker. | Mehl.              |
| Burns            | Moffett.           |
| of McCulloch.    | Moore.             |
| Coombes.         | Murphy.            |
| Cox of Lamar.    | Pope.              |
| Daniel.          | Ramsey.            |
| Dodd.            | Rogers.            |
| Elliott.         | Sanders.           |
| Farmer.          | Savage.            |
| Farrar.          | Scott.             |
| Ferguson.        | Sullivan.          |
| Ford.            | Towery.            |
| Greathouse.      | Turner.            |
| Grogan.          | Vaughan.           |
| Harrison         | West of Coryell.   |
| of Waller.       | Westbrook.         |
| Hefley.          | Wiggs.             |
| Herzik.          | Wyatt.             |
| Holloway.        |                    |

## Absent.

|          |             |
|----------|-------------|
| Adkins.  | Duvall.     |
| Barron.  | Engelhard.  |
| Claunch. | Finn.       |
| Dale.    | Harman.     |
| Davis.   | Harrison    |
| Dunlap.  | of El Paso. |

|                  |                   |
|------------------|-------------------|
| Hines.           | Ratliff.          |
| Johnson.         | Smith of Bastrop. |
| of Dallam.       | Stevenson.        |
| Jones of Shelby. | Terrell           |
| Keller.          | of Cherokee.      |
| Lockhart.        | Van Zandt.        |
| McCombs.         | Walker.           |
| Metcalfe.        | Warwick.          |
| Munson.          | West of Cameron.  |
| Olsen.           | Young.            |
| Petsch.          |                   |

## Absent—Excused.

Caven.

Leonard.

Mr. Farmer offered the following amendment to the (committee) amendment:

Amend committee amendment No. 2 to House bill No. 3 by striking out paragraph (a) in Section 1 on page 3 thereof and insert therefor a paragraph to read as follows:

"(a) It shall be waste for any person, firm or corporation having possession or control of any natural gas or oil well, whether as a contractor, owner, lessee, agent or manager, to allow or permit the flow of gas or oil from any such well to escape into the open air without being confined within such well or proper pipes, or other safe receptacle, for a longer period than two days next after gas or oil shall have been struck in such well; and thereafter all such gas or oil shall be safely and securely confined in such well, pipes or other safe and proper receptacles, until a market for all such products shall have been found; and then same may be produced and sold as hereinafter provided by the regulations of the Railroad Commission."

The amendment was lost by the following vote:

## Yeas—21.

|                  |                  |
|------------------|------------------|
| Adams of Jasper. | Graves.          |
| Akin.            | Greathouse.      |
| Bradley.         | Hefley.          |
| Brooks.          | Jones of Shelby. |
| Bryant.          | Laird.           |
| Burns of Walker. | Lockhart.        |
| Cox of Lamar.    | Ramsey.          |
| Dodd.            | Rogers.          |
| Elliott.         | Scott.           |
| Farmer.          | Vaughan.         |
| Giles.           |                  |

## Nays—77.

|                  |            |
|------------------|------------|
| Adams of Harris. | Adkins.    |
| Adamson.         | Albritton. |

|                    |                   |
|--------------------|-------------------|
| Alsup.             | Lee.              |
| Anderson.          | Lemens.           |
| Baker.             | Lilley.           |
| Beck.              | Long.             |
| Bounds.            | McDougald.        |
| Boyd.              | McGregor.         |
| Carpenter.         | Magee.            |
| Coltrin.           | Martin.           |
| Coombes.           | Mathis.           |
| Cox of Limestone.  | Mehl.             |
| Daniel.            | Moore.            |
| Donnell.           | Morse.            |
| Dowell.            | Munson.           |
| Dwyer.             | Nicholson.        |
| Farrar.            | Patterson.        |
| Ferguson.          | Ratliff.          |
| Fisher.            | Ray.              |
| Forbes.            | Reader.           |
| Ford.              | Richardson.       |
| Fuchs.             | Rountree.         |
| Goodman.           | Satterwhite.      |
| Hanson.            | Savage.           |
| Hardy.             | Shelton.          |
| Hines.             | Sherrill.         |
| Holder.            | Smith of Bastrop. |
| Holland.           | Smith of Wood.    |
| Howsley.           | Sparkman.         |
| Hughes.            | Stephens.         |
| Jackson.           | Steward.          |
| Johnson            | Towery.           |
| of Dimmit.         | Turner.           |
| Jones of Atascosa. | Wagstaff.         |
| Justiss.           | Walker.           |
| Kayton.            | Weinert.          |
| Keller.            | West of Coryell.  |
| Kennedy.           | Westbrook.        |
| Lasseter.          | Wyatt.            |

## Present—Not Voting.

Mr. Speaker. Cunningham.

## Absent.

|               |                  |
|---------------|------------------|
| Barron.       | Johnson.         |
| Bedford.      | of Dallam.       |
| Bond.         | McCombs.         |
| Brice.        | McGill.          |
| Burns         | Metcalfe.        |
| of McCulloch. | Moffett.         |
| Claunch.      | Murphy.          |
| Dale.         | Olsen.           |
| Davis.        | O'Quinn.         |
| Dunlap.       | Petsch.          |
| Duvall.       | Pope.            |
| Engelhard.    | Sanders.         |
| Finn.         | Stevenson.       |
| Harman.       | Strong.          |
| Harrison      | Tarwater.        |
| of El Paso.   | Terrell          |
| Harrison      | of Cherokee.     |
| of Waller.    | Terrell          |
| Herzik.       | of Val Verde.    |
| Hill.         | Van Zandt.       |
| Holloway.     | Warwick.         |
| Hoskins.      | West of Cameron. |
| Hubbard.      | Wiggs.           |
|               | Young.           |

## Absent—Excused.

|         |            |
|---------|------------|
| Caven.  | Leonard.   |
| Grogan. | Sullivant. |

(Speaker in the chair.)

Mr. Farmer offered the following amendment to the (committee) amendment:

A m e n d committee amendment No. 1 to House bill No. 3 by adding after Section 1 thereof a new section, to be numbered Section 1a, to read as follows:

"(a) 'Economic waste' is hereby defined to be the wasteful use apart from the customary usage of crude petroleum oil or natural gas in a manner that all their possible inherent qualities for practical purposes are not utilized; but in no event shall 'economic waste' be construed to mean a high or low monetary value of crude petroleum or natural gas with a view to fix a price in a maximum or minimum amount for said commodities; nor shall it be construed to mean the expenditure of money or other things of value in the exploration for, or production of, said commodities.

"(b) The phrase 'common source of supply' is hereby defined to be that finding by the Railroad Commission, after notice and full hearing of all evidence thereon, that shows that the wells' underground source of supply, of the oil and gas is not connected physically and geologically with any other source, but that all the wells therein draw their supply from the common connected underground area.

"(c) The phrase 'allowable production' is hereby defined to be the amount of crude oil or natural gas that may be produced without waste from any common source of supply, for the reasonable market demand in the field of the common source of supply.

"(d) 'Reasonable market demand' is hereby defined to be the reasonable requirements and demands for the needs of consumers of, and customers of natural gas and crude petroleum oil and its refined products, of those engaged in the manufacture, transportation, sale, and distribution of said commodities and their refined products, who desire and are willing to purchase said commodities in the area of the common source of supply.

"And it is made the duty of the Railroad Commission to meet every



thirty days to canvass the market demands for crude petroleum oil and natural gas in each area of the common source of supply and allocate to the proposed purchasers in that area ratably the allowable production for that area for the ensuing thirty days, and shall give preference in allotment of allowable production to those offering the maximum price for that allowable which the owners are willing to sell at the price offered.

"The would-be purchasers shall make written demand for the amount of such commodities they desire for the ensuing thirty days and at the price which they will pay for them, at their source of supply; and these written demands shall be filed with, and shall be received by, the Railroad Commission at least ten days before the day of canvassing the list of demands.

"In no event shall the Railroad Commission consider the amount of importations of foreign crude petroleum oil and its refined products into the United States in considering 'reasonable market demand.'"

The amendment was lost.

Mr. Farmer offered the following amendment to the (committee) amendment:

Amend committee amendment No. 1 to House bill No. 3 by adding to Section 3 thereof a new section to be numbered 3a, to read as follows:

"That for the purpose of determining such production a gauge of each well shall be taken under the rules and regulations to be prescribed by the Railroad Commission, and said Commission is authorized and directed to make and promulgate such other rules and regulations and employ or appoint such agents as may be necessary to determine the allowable production upon an equitable basis for each well in the common source of supply, and they shall consider the depth of sand, acreage and potential production of each well in order that the allowable production may be made upon an equitable basis in order to supply the reasonable market demand from that area of common source of supply."

The amendment was lost.

Mr. Lasseter offered the following amendment to the (committee) amendment:

Amend Section 15, paragraph 4, by adding thereto the following:

"Provided, however, no rule or order

shall abridge the right of partition of property in order to protect vested rights or property interest."

The amendment was lost.

Mr. Long offered the following amendment to the (committee) amendment:

Amend House bill No. 3 by striking out Section 11 and insert in lieu the following:

"Section 11. Nothing in this act shall be construed to repeal Chapter Thirty-six of the Acts of the Forty-first Legislature, Fifth Called Session, known as the Common Purchaser Bill, and amendments thereto, except as specifically repealed hereby or inconsistent herewith; and this act shall not be construed to repeal or modify Senate bill No. 337, passed by the Forty-second Legislature, at its Regular Session, known as the Marginal Well Bill."

The amendment was adopted.

The committee amendment as amended was then adopted by the following vote:

#### Yeas—90.

|                   |                    |
|-------------------|--------------------|
| Adams of Harris.  | Howsley.           |
| Adams of Jasper.  | Hughes.            |
| Adamson.          | Jackson.           |
| Adkins.           | Johnson.           |
| Albritton.        | of Dallam.         |
| Alsop.            | Johnson            |
| Anderson.         | of Dimmit.         |
| Baker.            | Jones of Atascosa. |
| Beck.             | Justiss.           |
| Bedford.          | Kayton.            |
| Bond.             | Keller.            |
| Bounds.           | Kennedy.           |
| Boyd.             | Laird.             |
| Bradley.          | Lee.               |
| Brice.            | Lemens.            |
| Carpenter.        | Lilley.            |
| Claunch.          | Long.              |
| Coltrin.          | McDougald.         |
| Cox of Limestone. | McGill.            |
| Donnell.          | McGregor.          |
| Dowell.           | Magee.             |
| Dwyer.            | Martin.            |
| Farrar.           | Mathis.            |
| Fisher.           | Mehl.              |
| Forbes.           | Metcalfe.          |
| Ford.             | Moore.             |
| Fuchs.            | Morse.             |
| Goodman.          | Munson.            |
| Greathouse.       | Murphy.            |
| Grogan.           | Nicholson.         |
| Hanson.           | O'Quinn.           |
| Hardy.            | Patterson.         |
| Hill.             | Petsch.            |
| Hines.            | Ratliff.           |
| Holland.          | Richardson.        |

|                   |                  |
|-------------------|------------------|
| Rountree.         | Terrell          |
| Satterwhite.      | of Val Verde.    |
| Savage.           | Turner.          |
| Scott.            | Wagstaff.        |
| Shelton.          | Walker.          |
| Smith of Bastrop. | Warwick.         |
| Smith of Wood.    | Weinert.         |
| Sparkman.         | West of Coryell. |
| Stephens.         | West of Cameron. |
| Stevenson.        | Westbrook.       |
| Steward.          | Wyatt.           |
| Tarwater.         |                  |

## Nays—28.

|               |                  |
|---------------|------------------|
| Akin.         | Graves.          |
| Barron.       | Herzik.          |
| Brooks.       | Hoskins.         |
| Bryant.       | Jones of Shelby. |
| Burns         | Lasseter.        |
| of McCulloch. | Lockhart.        |
| Coombes.      | Pope.            |
| Cox of Lamar. | Ray.             |
| Daniel.       | Rogers.          |
| Dodd.         | Sanders.         |
| Elliott.      | Strong.          |
| Engelhard.    | Terrell          |
| Farmer.       | of Cherokee.     |
| Ferguson.     | Towery.          |
| Giles.        | Vaughan.         |

## Absent.

|                  |            |
|------------------|------------|
| Burns of Walker. | Holder.    |
| Cunningham.      | Holloway.  |
| Dale.            | Hubbard.   |
| Davis.           | McCombs.   |
| Dunlap.          | Moffett.   |
| Duvall.          | Olsen.     |
| Finn.            | Ramsey.    |
| Harman.          | Reader.    |
| Harrison         | Sherrill.  |
| of El Paso.      | Van Zandt. |
| Harrison         | Wiggs.     |
| of Waller.       | Young.     |
| Hefley.          |            |

## Absent—Excused.

|          |            |
|----------|------------|
| Caven.   | Sullivant. |
| Leonard. |            |

By unanimous consent of the House, the caption of the bill was ordered amended to conform to all changes made in the body of the bill.

House bill No. 3 was then passed to engrossment by the following vote:

## Yeas—80.

|                  |                   |
|------------------|-------------------|
| Mr. Speaker.     | Bounds.           |
| Adams of Harris. | Boyd.             |
| Akin.            | Bradley.          |
| Albritton.       | Brice.            |
| Alsup.           | Carpenter.        |
| Anderson.        | Coltrin.          |
| Baker.           | Cox of Limestone. |
| Beck.            | Donnell.          |
| Bond.            | Dowell.           |

|                    |                   |
|--------------------|-------------------|
| Dunlap.            | Mehl.             |
| Dwyer.             | Metcalfe.         |
| Farrar.            | Moore.            |
| Fisher.            | Morse.            |
| Forbes.            | Murphy.           |
| Ford.              | Nicholson.        |
| Fuchs.             | O'Quinn.          |
| Goodman.           | Patterson.        |
| Greathouse.        | Petsch.           |
| Grogan.            | Ratliff.          |
| Hanson.            | Richardson.       |
| Hines.             | Rountree.         |
| Holland.           | Satterwhite.      |
| Howsley.           | Savage.           |
| Hughes.            | Shelton.          |
| Jackson.           | Smith of Bastrop. |
| Johnson.           | Smith of Wood.    |
| of Dallam.         | Sparkman.         |
| Johnson            | Stephens.         |
| of Dimmit.         | Stevenson.        |
| Jones of Atascosa. | Steward.          |
| Justiss.           | Tarwater.         |
| Kayton.            | Terrell           |
| Keller.            | of Val Verde.     |
| Lee.               | Turner.           |
| Lemens.            | Wagstaff.         |
| Lilley.            | Walker.           |
| Long.              | Warwick.          |
| McDougald.         | Weinert.          |
| McGregor.          | West of Coryell.  |
| Magee.             | Wyatt.            |
| Martin.            | Young.            |
| Mathis.            |                   |

## Nays—42.

|                  |                  |
|------------------|------------------|
| Adams of Jasper. | Herzik.          |
| Adamson.         | Holloway.        |
| Adkins.          | Hoskins.         |
| Barron.          | Jones of Shelby. |
| Bedford.         | Kennedy.         |
| Brooks.          | Laird.           |
| Bryant.          | Lasseter.        |
| Burns            | Lockhart.        |
| of McCulloch.    | McGill.          |
| Coombes.         | Munson.          |
| Cox of Lamar.    | Pope.            |
| Daniel.          | Ray.             |
| Dodd.            | Rogers.          |
| Elliott.         | Sanders.         |
| Engelhard.       | Scott.           |
| Farmer.          | Strong.          |
| Ferguson.        | Terrell          |
| Giles.           | of Cherokee.     |
| Graves.          | Towery.          |
| Hardy.           | Vaughan.         |
| Harrison         | West of Cameron. |
| of Waller.       | Westbrook.       |
| Hefley.          |                  |

## Absent.

|                  |             |
|------------------|-------------|
| Burns of Walker. | Harman.     |
| Claunch.         | Harrison    |
| Cunningham.      | of El Paso. |
| Dale.            | Hill.       |
| Davis.           | Holder.     |
| Duvall.          | Hubbard.    |
| Finn.            | McCombs.    |

|          |            |
|----------|------------|
| Moffett. | Sherrill.  |
| Olsen.   | Van Zandt. |
| Ramsey.  | Wiggs.     |
| Reader.  |            |

Absent—Excused.

|        |          |
|--------|----------|
| Caven. | Leonard. |
|--------|----------|

PAIRED.

Mr. Sullivant (present), who would vote "nay," with Mr. Van Zandt (absent), who would vote "yea."

#### MOTION TO TAKE UP HOUSE BILL NO. 3.

Mr. Satterwhite moved that the constitutional rule requiring bills to be read on three several days be suspended and that House bill No. 3 be placed on its third reading and final passage.

The motion was lost (not receiving the necessary four-fifths vote) by the following vote:

Yeas—95.

|                   |                    |
|-------------------|--------------------|
| Mr. Speaker.      | Harrison           |
| Adams of Harris.  | of El Paso.        |
| Adamson.          | Hill.              |
| Adkins.           | Hines.             |
| Albritton.        | Holland.           |
| Alsup.            | Howsley.           |
| Anderson.         | Hughes.            |
| Baker.            | Jackson.           |
| Beck.             | Johnson            |
| Bedford.          | of Dallam.         |
| Bond.             | Johnson            |
| Bounds.           | of Dimmit.         |
| Boyd.             | Jones of Atascosa. |
| Bradley.          | Justiss.           |
| Brice.            | Kayton.            |
| Brooks.           | Kennedy.           |
| Carpenter.        | Lee.               |
| Coltrin.          | Lemens.            |
| Coombes.          | Lilley.            |
| Cox of Limestone. | Long.              |
| Cunningham.       | McDougald.         |
| Donnell.          | McGill.            |
| Dowell.           | McGregor.          |
| Dunlap.           | Magee.             |
| Dwyer.            | Martin.            |
| Farrar.           | Mathis.            |
| Fisher.           | Mehl.              |
| Forbes.           | Metcalfe.          |
| Ford.             | Moffett.           |
| Fuchs.            | Moore.             |
| Giles.            | Morse.             |
| Goodman.          | Munson.            |
| Graves.           | Murphy.            |
| Greathouse.       | Nicholson.         |
| Grogan.           | O'Quinn.           |
| Hanson.           | Patterson.         |
| Hardy.            | Petsch.            |
|                   | Ratliff.           |

|                   |                  |
|-------------------|------------------|
| Richardson.       | Strong.          |
| Rountree.         | Tarwater.        |
| Sanders.          | Terrell          |
| Satterwhite.      | of Val Verde.    |
| Savage.           | Turner.          |
| Shelton.          | Wagstaff.        |
| Smith of Bastrop. | Walker.          |
| Smith of Wood.    | Warwick.         |
| Sparkman.         | Weinert.         |
| Stephens.         | West of Coryell. |
| Stevenson.        | Wyatt.           |
| Steward.          | Young.           |

Yeas—32.

|                  |                  |
|------------------|------------------|
| Adams of Jasper. | Herzik.          |
| Akin.            | Holloway.        |
| Barron.          | Hoskins.         |
| Bryant.          | Jones of Shelby. |
| Burns of Walker. | Laird.           |
| Burns            | Lasseter.        |
| of McCulloch.    | Lockhart.        |
| Caven.           | Pope.            |
| Cox of Lamar.    | Ray.             |
| Daniel.          | Rogers.          |
| Dodd.            | Scott.           |
| Elliott.         | Terrell          |
| Engelhard.       | of Cherokee.     |
| Farmer.          | Towery.          |
| Ferguson.        | Vaughan.         |
| Harrison         | West of Cameron. |
| of Waller.       | Westbrook.       |
| Hefley.          |                  |

Absent.

|          |            |
|----------|------------|
| Claunch. | Keller.    |
| Dale.    | McCombs.   |
| Davis.   | Olsen.     |
| Duvall.  | Ramsey.    |
| Finn.    | Reader.    |
| Harman.  | Sherrill.  |
| Holder.  | Van Zandt. |
| Hubbard. | Wiggs.     |

Absent—Excused.

Leonard.

PAIRED.

Mr. Sullivant (present), who would vote "nay," with Mr. Van Zandt (absent), who would vote "yea."

#### INVITATION OF TRAVIS POST NO. 76, AMERICAN LEGION.

The Speaker laid before the House, and had read the following communication:

Austin, Texas, November 10, 1932.

Mr. Fred Minor, Speaker, and Members of the House of Representatives.

Gentlemen: You are cordially invited and urged to participate in the

annual Armistice Day parade and memorial service to be held in Austin, Texas, Friday, November 11, 1932, under the auspices of Travis Post No. 76 of the American Legion.

The purpose of this parade is to endeavor to observe in a fitting way the anniversary of the ending of the World War and at the same time pay tribute to those who made the supreme sacrifice in that conflict.

It is our desire to see every member of the Legislature ride in this parade, and we hope that those of you who have your cars here will ask some of your colleagues who left theirs at home to ride with you. Your section of the parade will form on West First Street, at the intersection of Congress Avenue, at 9:45 a. m. If there should be someone who will take part and who does not have transportation, please notify A. W. Holt, Sergeant-at-Arms of the Senate, and it will be arranged for.

Hoping that you will see fit to take part with us in these services, we are,

Very respectfully,

A. W. HOLT,  
Chairman, American Legion  
Parade Committee.

#### ADDRESS BY SENATOR TOM CONNALLY.

Mr. Sanders offered the following resolution:

Whereas, The Honorable Tom Connally, United States Senator from Texas, is in the city and is now in the Capitol building; therefore, be it

Resolved by the House of Representatives, That the Honorable Tom Connally be invited to address the House at this time.

SANDERS,  
SATTERWHITE,  
KENNEDY.

The resolution was read second time and was adopted.

In accordance with the above action the Speaker announced the appointment of the following committee to escort Senator Connally to the Speaker's stand:

Messrs. Sanders, Satterwhite and Kennedy.

The committee having performed their duty, Speaker Minor presented Senator Connally.

Senator Tom Connally then addressed the House.

#### ADJOURNMENT.

On motion of Mr. Anderson, the House, at 5:13 o'clock p. m., adjourned until 5:14 o'clock p. m., Thursday, November 10.

#### APPENDIX.

##### STANDING COMMITTEE REPORTS.

The following committees have filed adverse reports with minority favorable reports on bills as follows:

Oil, Gas and Mining: House bills Nos. 9 and 10.

#### SIXTH DAY.

(Thursday, November 10, 1932.)

The House met at 5:14 o'clock p. m., pursuant to adjournment, and was called to order by Speaker Minor.

The roll was called, and the following members were present:

|                   |                    |
|-------------------|--------------------|
| Mr. Speaker.      | Dwyer.             |
| Adams of Harris.  | Elliott.           |
| Adams of Jasper.  | Engelhard.         |
| Adamson.          | Farmer.            |
| Adkins.           | Farrar.            |
| Akin.             | Ferguson.          |
| Albritton.        | Finn.              |
| Alsup.            | Fisher.            |
| Anderson.         | Forbes.            |
| Baker.            | Ford.              |
| Barron.           | Fuchs.             |
| Beck.             | Giles.             |
| Bedford.          | Goodman.           |
| Bond.             | Graves.            |
| Bounds.           | Greathouse.        |
| Boyd.             | Grogan.            |
| Bradley.          | Hanson.            |
| Brice.            | Hardy.             |
| Brooks.           | Harman.            |
| Bryant.           | Harrison           |
| Burns of Walker.  | of El Paso.        |
| Burns             | Harrison           |
| of McCulloch.     | of Waller.         |
| Carpenter.        | Hefley.            |
| Caven.            | Herzik.            |
| Coltrin.          | Hill.              |
| Coombes.          | Hines.             |
| Cox of Lamar.     | Holland.           |
| Cox of Limestone. | Holloway.          |
| Cunningham.       | Hoskins.           |
| Daniel.           | Howsley.           |
| Dodd.             | Hughes.            |
| Donnell.          | Jackson.           |
| Dowell.           | Johnson            |
| Dunlap.           | of Dallam.         |
| Duvall.           | Johnson of Dimmit. |